

<b>Notice of Allowability</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	10/714,925	SCHNEIDER, NELSON	
	<b>Examiner</b>	<b>Art Unit</b>	
	THOMAS M. HAMMOND III	3695	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--**

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to 29 October 2008.
2. ☒ The allowed claim(s) is/are 7-34.
3. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
  - a) ☐ All    b) ☐ Some\*    c) ☐ None    of the:
    1. ☐ Certified copies of the priority documents have been received.
    2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
    3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).
  - \* Certified copies not received: \_\_\_\_.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.

**THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.**

4. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
5. ☐ CORRECTED DRAWINGS ( as "replacement sheets") must be submitted.
  - (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review ( PTO-948) attached
    - 1) ☐ hereto or 2) ☐ to Paper No./Mail Date \_\_\_\_.
  - (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date \_\_\_\_.

**Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).**
6. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

**Attachment(s)**

- |   |  |
|---|--|
| 1. <input type="checkbox"/> Notice of References Cited (PTO-892)  | 5. <input type="checkbox"/> Notice of Informal Patent Application  |
| 2. <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                              | 6. <input checked="" type="checkbox"/> Interview Summary (PTO-413),<br>Paper No./Mail Date <u>17 December 2008</u> . |
| 3. <input checked="" type="checkbox"/> Information Disclosure Statements (PTO/SB/08),<br>Paper No./Mail Date ____ | 7. <input checked="" type="checkbox"/> Examiner's Amendment/Comment  |
| 4. <input type="checkbox"/> Examiner's Comment Regarding Requirement for Deposit<br>of Biological Material        | 8. <input type="checkbox"/> Examiner's Statement of Reasons for Allowance  |
|   | 9. <input type="checkbox"/> Other ____.  |

/Hani M. Kazimi/  
Primary Examiner, Art Unit 3691

## DETAILED ACTION

### *Status of Claims*

1. This action is in reply to the applicant's response filed on 29 October 2008.
2. Claims 1-3, 6, and 35-40 have been cancelled.
3. Claims 4, 7, 9-11, 14, 17, 22, 26, 28, and 30-34 have been amended.
4. Claims 4 and 5 have been cancelled by Examiner's Amendment.
5. Claim 7 has been amended by Examiner's Amendment.
6. Claims 7-34 are currently pending, have been examined, and have been deemed allowable.
7. An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no later than the payment of the issue fee. Authorization for this examiner's amendment was given in a telephone interview with attorney John King on 17 December 2008.

### **Please amend the claims as follows:**

1. (Cancelled)
2. (Cancelled)
3. (Cancelled)
4. (Cancelled)
5. (Cancelled)
6. (Cancelled)
7. (Currently Amended) A computer-implemented method for selling a partial equity interest in a real estate property, comprising:

applying for a real estate property equity sale and providing information **to an entity** relating to a real estate property transaction;

enabling with a computer processor, a data interface between a homeowner owning a residential property that is homeowner occupied and at least one investor, the data interface is configured to create a partial equity

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interest in the residential property, wherein the partial equity interest is associated with a non-debt related investment between the homeowner and the investor, wherein the partial equity interest in the residential property does not obligate the homeowner to repay an investment made by the investor at anytime, the creation of the partial equity interest comprising:

- the homeowner obtaining value for the partial equity interest;

- the homeowner retaining right to continue to receive one or more tax advantages of ownership of the residential property;

- the homeowner retaining right of residency of the residential property, right to make home improvements, and right to determine when to sell the residential property;

- the homeowner having an obligation to pay any real estate taxes and mortgage payments, insurance and up keep expenses associated with the residential property;

- the homeowner granting right to the investor to retain the partial equity interest in the residential property upon sale of the residential property, wherein a subsequent purchaser of the residential property has right to agree whether the investor retains the partial equity interest in the residential property;

- the investor waiving right to control and sale of the residential property, while retaining rights to approve a sales price of the residential property;

- the investor waiving right to obtain any potential cash flows from the residential property;

- the investor having right to waive receipt of proceeds from sale of the residential property in exchange for retaining the partial equity interest in the residential property;

- the investor collecting a share of proceeds from a future sale of the residential property based on the partial equity interest;

- the investor obtaining right to transfer the partial equity interest in the residential property to other parties;

- storing information about the partial equity interest in a computer memory;

- checking for related property documentation to ensure that all pertinent property documentation is provided;

- processing transaction information relating to the real estate property transaction;

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transferring funds between the homeowner and the at least one investor participating in the real estate property transaction; and

filing documents that are related to the partial equity interest and making the documents of record.

8. (Original) The method of claim 7, wherein the sale of the partial equity interest in the real estate property and the partial equity interest is a concurrent estate in land possessed by two or more holders of the partial equity interests.

9. (Previously Presented) The method of claim 7, wherein in the applying step direct and indirect participation is permitted in the real estate property transaction.

10. (Previously Presented) The method of claim 7, wherein the information includes ownership information, appraised value of the residential property, a specific amount of partial equity interest intended to be sold and a listing of all parties involved in the real estate property transaction.

11. (Previously Presented) The method of claim 7, wherein the checking step includes checking for completeness or incompleteness of the application and determines if the real estate property transaction should proceed or not proceed.

12. (Original) The method of claim 7, wherein the sale of the partial equity ownership in a home allows the homeowner to receive a federal tax deferral on that sale, sell the rest of the home later under a lumped-sum transaction rule, and continue to live in the home.

13. (Original) The method of claim 7, wherein the processing step provides a disposition of a submitted application.

14. (Previously Presented) The method of claim 7, wherein the homeowner remains responsible for property associated expenses including property taxes, mortgage payments, insurance and general operating expenses associated with the residential property.

15. (Previously Presented) The method of claim 7, wherein the entity will manage one or more real estate related transactions for the homeowner.

16. (Previously Presented) The method of claim 15, wherein the entity will receive a plurality of fees including a placement commission, an annual fee, and a performance fee as compensation for the entity services provided.

17. (Previously Presented) The method of claim 7, wherein the processing step includes structuring the real estate property transaction in a manner to avoid the payment of interest and the payment of principal upon sale of the partial equity interest.

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18. (Original) The method of claim 17, wherein when the processing step includes executing the sale of the partial equity interest in the real estate property, the sale is considered a non-taxable event.

19. (Original) The method of claim 18, wherein when the sale of the partial equity interest in the real estate property is executed, processing is performed to minimize taxable consequences.

20. (Original) The method of claim 7, wherein the checking step includes checking for information including any title, liens or appraisals that exist on the real estate property and factors this information into the processing means.

21. (Original) The method of claim 7, wherein the processing step includes processing a standard home equity loan or line of credit based upon the existing equity in the real estate property.

22. (Previously Presented) The method of claim 7, wherein the processing step is performed to ensure that the entity has final approval authority on any aspect of the real estate property transaction affecting the entity's interests, including the sale of the real estate property.

23. (Original) The method of claim 7, wherein the processing step ensures that a payback of the partial equity ownership share is due upon final sale of the real estate property.

24. (Original) The method of claim 7, further comprising: accommodating transferred funds including cash, cash equivalents, warrants, options, financial derivatives and debt instruments.

25. (Original) The method of claim 7, further comprising: tracking the partial equity ownership share sale as a percentage of the total value of the real estate property sold.

26. (Previously Presented) The method of claim 25, wherein the processing step is performed to ensure that upon sale of the residential property, the entity receives a percentage of the appraised value of the real estate property.

27. (Original) The method of claim 7, further comprising: tracking the partial equity ownership share sale as a dollar value.

28. (Previously Presented) The method of claim 27, wherein upon sale of the residential property, the entity receives an adjusted dollar value representing a value of the partial equity ownership share.

29. (Original) The method of claim 28, wherein an approval step is performed which yields a qualified approval that results in at least one subsequent iteration, where information including any missing, incomplete, or inadequate documentation is provided for further evaluation and application processing.

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30. (Previously Presented) The method of claim 7, wherein the parties involved in the real estate property transaction are existing financial institutions including title companies, mortgage companies, real estate agents and brokers, institutional investors, private investors, pension funds, mutual fund companies, commercial developers, residential developers, and title companies.

31. (Previously Presented) The method of claim 30, further comprising: continuously monitoring changes including legal, tax, and property status that affect the real estate property transaction and any interests of the parties involved.

32. (Previously Presented) The method of claim 31, further comprising: evaluating local state law and structuring the real estate property transaction in a manner to avoid any due on sale clause that is triggered by the real estate property transaction.

33. (Previously Presented) The method of claim 7, wherein the entity will manage one or more real estate property transactions for one or more homeowners and in exchange, the entity will receive a plurality of fees from one or more homeowners.

34. (Previously Presented) The method of claim 7, further comprising: creating and maintaining a real estate property database, and the database includes owner information, property addresses, appraised values, changes in the appraised values over time, total equity interest in the residential property and equity interest that has been sold.

35. (Cancelled)

36. (Cancelled)

37. (Cancelled)

38. (Cancelled)

39. (Cancelled)

40. (Cancelled)

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*Conclusion*

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Thomas M. Hammond III whose telephone number is 571-270-1829. The examiner can normally be reached on Monday - Thursday, 7AM - 5PM EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Thomas M Hammond III

Patent Examiner, Art Unit 3695

US Patent & Trademark Office

17 December 2008

/Hani M. Kazimi/

Primary Examiner, Art Unit 3691